



CMA Weekly Alert – September 29, 2005

MEDICARE'S RECENT FLOOD OF INFORMATION ABOUT MEDICARE PART D HEIGHTENS CONCERNS ABOUT CHOOSING THE RIGHT PLAN

On September 23 the Centers for Medicare & Medicaid Services (CMS) released its list of drug plans approved to offer Medicare-covered prescription drug coverage starting in January 2006. The array of choices, at least in the first year of operation, will be daunting. Beneficiaries will have to sift through a variety of plan choices, making complicated decisions about what plans are likely to be best for their particular circumstance. Issues of price, access to specific drugs (including dosing and packaging) and location of pharmacies are just some of the factors to be considered.

In most states, beneficiaries will have a variety of choices of Prescription Drug Plans (PDPs), providing prescription drug coverage only, to be used in conjunction with the traditional Medicare program. In addition, there will be a variety of Medicare Advantage Prescription Drug Plans (MA-PDs), offered by managed care organizations, providing the other Medicare benefits in addition to prescription drug coverage.

There are several national plans as well as a variety of regional and statewide plans. State-specific information identifying approved plans can be obtained at: <http://www.cms.hhs.gov/map/map.asp> (Medicare Prescription Drug Plan Approvals). On the United States map found at that link, click on the state for which you wish to find information. In addition, a map of the prescription drug plan and Medicare Advantage (including HMOs and PPOs) plan regions can be found at <http://www.cms.hhs.gov/medicarereform/mmaregions/>.

CMS has also stepped up its informational campaign regarding Medicare Part D. On September 26, CMS posted its Medicare Prescription Drug Plan Cost Estimator online at http://www.medicare.gov/medicarereform/MPDP_Cost_Estimator.asp. The ease of use of the tool and the amount of time involved in making an estimate will be the key to its success. The estimator is designed to help beneficiaries weigh the cost of a particular plan given the beneficiary's particular drug usage. However, beneficiaries should be cautious about making plan choices solely on the basis of cost. One needs to be sure that the particular drug one needs is covered by the plan, and in the right amount, strength, and form. This information is not available on the CMS estimator site.

Another major source of information, the *2006 Medicare & You Handbook*, is now available online: <http://www.medicare.gov/publications/pubs/pdf/10050.pdf>. This document contains a segment on the Medicare Prescription Drug benefit, and is designed as a basic resource tool for Medicare beneficiaries. The *2006 Medicare & You Handbook* will be mailed to all Medicare beneficiaries shortly.

Starting January 1, 2006, persons dually eligible for Medicare and receiving full Medicaid will no longer receive their prescription drug coverage under Medicaid. If they do not choose a Medicare Part D plan by December 31, 2005, they will be "auto-enrolled" in a Medicare Part D plan. Notice about auto-enrollment will go out at the end of October 2005. States may fill in the gaps in prescription drug coverage where certain drugs are not covered by Medicare. Information about this change in coverage and about auto-

enrollment is available at: <http://www.cms.hhs.gov/medicarereform/EnrollmentQA9-08-05withcoversheet.pdf>.

Retirees with prescription drug coverage may wish to visit the CMS Medicare Modernization Act retiree drug subsidy page. It provides links to a variety of information sources, including frequently asked questions for retirees. Of particular concern is working with former employers to encourage them to continue providing a certain level of retiree health coverage, including how these rules apply to spouses, dependents and individuals eligible for Medicare coverage due to disability or end stage renal disease (ESRD). The key issue is not whether employers will continue coverage, but whether employers will require people to choose between part D and their retiree coverage. People need to know whether enrollment in Part D will terminate all of their retiree health coverage, including coverage that supplements Medicare Part A and B. See, <http://www.cms.hhs.gov/medicarereform/pdbma/RDS.asp> (CMS Document Addresses Qualified Covered Retiree Issues).

Of some concern in CMS' recent informational bonanza was the national circulation of an insert in the Sunday, September 25, 2006, *Parade* magazine. The insert, introducing "Medicare Rx, Prescription Drug Coverage," CMS Publication No.11160, is an announcement and general overview of the Medicare Part D benefit. From its tone and content, the insert is intended to be a point of departure for families and friends in the conversation about choosing a prescription drug plan. However, the insert - which will surely be more visible to beneficiaries than any information currently available on CMS' website - does not give complete, accurate information. Importantly, it fails to tell people:

- They will only get assistance with drugs that are on the formulary of the plan they choose.
- They will not automatically get all drugs their doctor believes to be medically necessary, but may first need to go through a special process to ask the plan to pay for the drugs.
- Once they reach \$2250 in combined beneficiary and drug plan costs, they will have to pay the full cost of their drugs (doughnut hole). They will get out of the doughnut hole, and additional insurance coverage for their prescription drugs, only if the drugs they take are covered by their plan.
- Most people will be required to keep the same drug plan for a year, even if they develop a new illness and need drugs they could not have anticipated when they first chose their plan. Plans are not similarly bound; they can change which drugs they cover, and the rules they use, during the year.
- The plan with the lowest premium and cost sharing might not be the best plan if it does not include all of the drugs in the dosages and formats they require.
- People with limited incomes and resources may have to pay a part of the premium if they enroll in a plan with a higher premium, even though the plan may include more of their drugs and have more convenient pharmacies.
- People with retiree health coverage may lose all of their health coverage, and not just drug coverage, if they join a Part D plan.

CMS' efforts to educate to announce the new prescription drug benefit are laudable. However, as the time to enroll in a plan draws ever-closer, it is most important that beneficiaries and those acting on their behalf be given ALL of the information that they will need to make an informed choice, not selected facts. Medicare Part D is complex, so accuracy in education must be paramount.

For more information on Medicare Prescription drug coverage, including guidelines on choosing a plan, please visit the Part D section of the Center for Medicare Advocacy's website, www.medicareadvocacy.org.